



Akelikongo and Akelikongo West Discovery

Highlights

- Diamond drilling at **Akelikongo West** has confirmed a second mineralised nickel and copper sulphide system.
- **Akelikongo West** is located 800m to the south west of the main **Akelikongo** nickel and copper sulphide system and is on the western flank of a discrete gravity high anomaly.
- AKD009 (the fifth diamond hole in this drilling program) has drilled a 47.3m downhole continuous zone from 38.3m to 85.6m of coarse (5mm) nickel and copper sulphides containing between 15% to 30% total sulphides.



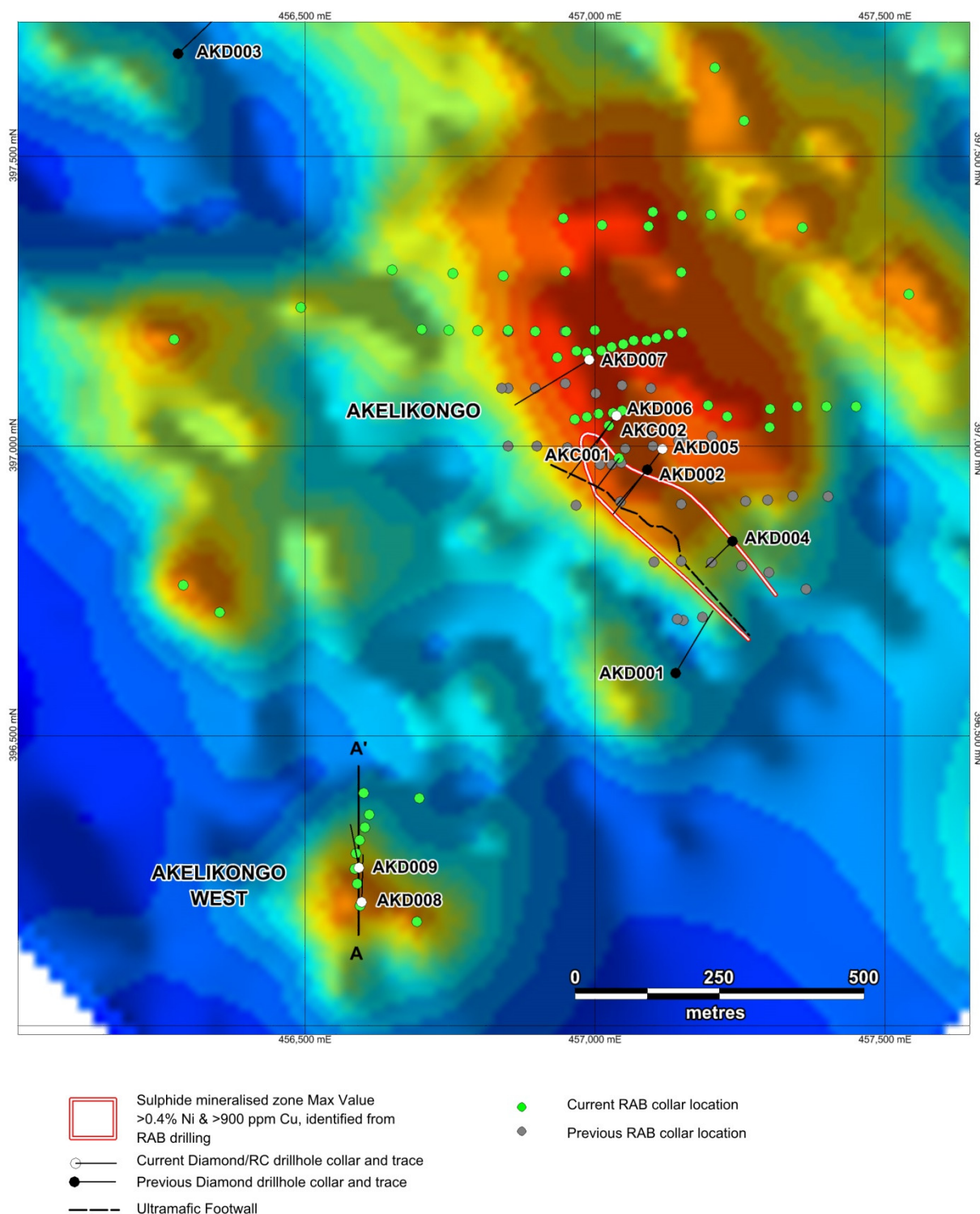
Figure 1 AKD009 41.6m to 44.6m coarse matrix textured sulphides



Figure 2 AKD009 61.3m to 66.1m coarse disseminated sulphide and 66.1m to 66.5m massive sulphide

- Diamond drilling of AKD007 at **Akelikongo** has successfully extended the mineralised ultramafic contact position with granulite a further 100m from AKD006
- The current program of RAB and diamond drilling has now been completed with assays awaited.

Sipa Resources Limited (ASX: SRI) (the "Company" or "Sipa") is pleased to announce the further drilling progress at **Akelikongo West** and an update to the drilling progress over its **Akelikongo** prospect and surrounding areas.



A total of five diamond drill holes and two RC holes have been drilled to date at **Akelikongo** and **Akelikongo West**.

Hole	Easting	Northing	RL	Total Depth	Azimuth	Dip
AKC001	457041	396979	945	126.0	220	-60
AKC002	457024	397035	945	44.0	220	-60
AKD005	457116	397677	946	269.2	220	-60
AKD006	457037	397052	943.5	275.9	220	-60
AKD007	456990	397143	942	341.7	238	-60
AKD008	456598	396213	942	184.3	000	-60
AKD009	456593	396272	942	141.0	350	-60

Table 1 Drill hole locations for RC and diamond holes

Holes AKC001 and 002 and AKD005, 006 and 007 all were targeted to intersect the mineralised footwall position to the **Akelikongo** intrusion. As shown in Figure 3 and discussed previously, this position coincides with a steep gravity gradient. The gravity highs are interpreted to represent ultramafic intrusions. Although assay results have not yet been received, all holes have hit the mineralised position and have intersected disseminated pyrrhotite chalcopyrite and pentlandite mineralisation.

AKD008 and AKD009 were targeted to test shallow RAB intersections of coarse disseminated sulphide at **Akelikongo West**. The holes were drilled 60m apart and oriented -60 degrees to the north to test apparently shallow south dipping nickel copper and sulphide mineralisation.

AKD008 intersected tonalite from 0 to 46m followed by coarse grained pyroxenite from 46m to 156m. Nickel and copper sulphide mineralisation occurs as coarse grained disseminated zones up to 15% total sulphide with sulphides identified as pyrrhotite, chalcopyrite, and pentlandite. Where the tonalite is close to the footwall and hanging wall pyroxenitic intrusion, it exhibits partial melting textures.

AKD009 collared in tonalite and intersected mineralised ultramafic pyroxenite at 38.3m. A 47.3m zone with strong 15% to 30% very coarse grained disseminated to matrix nickel and copper sulphide mineralisation occurs from 38.3m to 85.6m, with some minor zones of massive to semi massive sulphide. At the upper contact at 38.3m there is a 1.6m zone of semi-massive sulphides (pyrrhotite, chalcopyrite and pentlandite). A second mineralised zone from 95m-98.4m occurs with 7% to 10% disseminated sulphides. The strongest gravity response at **Akelikongo West** is to the south of these intersections indicating the further presence of ultramafic intrusions.

Figure 4 shows geological interpretation through a section of the **Akelikongo West** drilling.

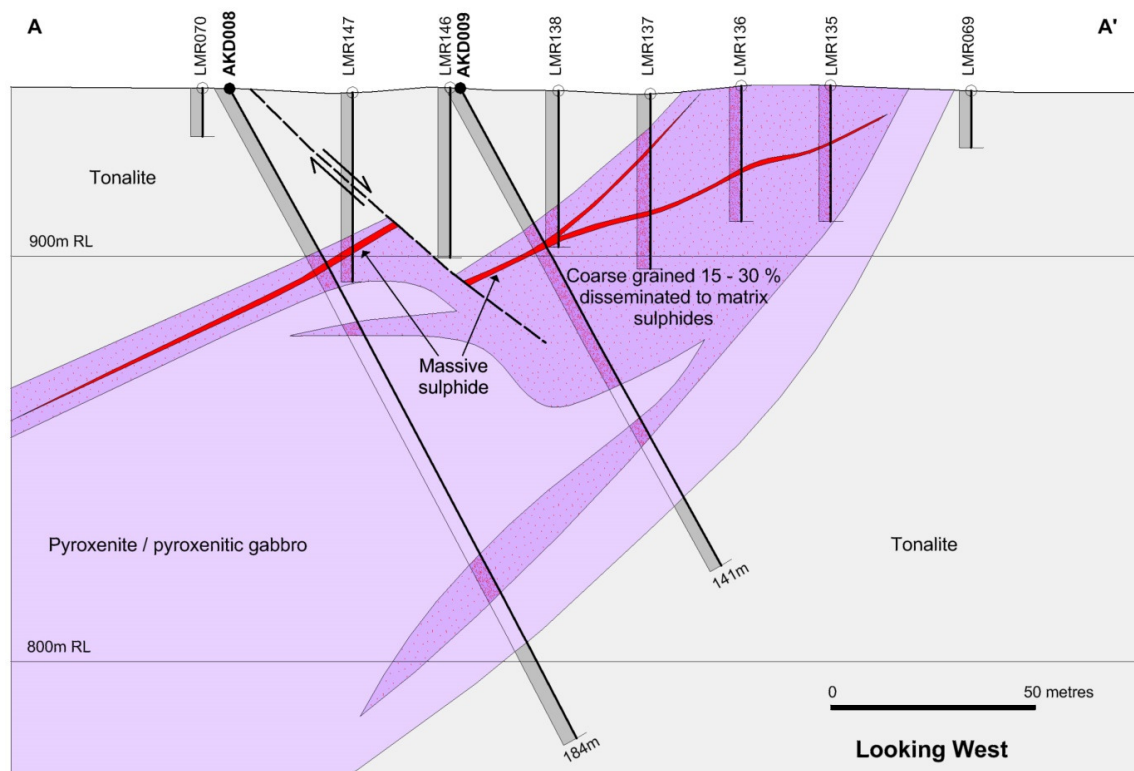


Figure 4 Section through Akelikongo West Nickel and Copper Sulphide system

Since commencing work during May, two RC holes and five diamond holes have been completed along with 98 RAB holes for a total of 2,490m.

The visual results of this current drill program now indicate two separate zones of shallow (less than 35m from surface) nickel and copper sulphide mineralisation within the area of the detailed ground gravity. The mineralisation at both **Akelikongo** and **Akelikongo West** extends to the surface where it is oxidised and forms strong multi-element soil anomalies. The gravity is highlighting further locations (gravity highs shown in the orange to red colours) where other intrusions which may host further mineralised systems and may not have a surface geochemical expression.

Plan forward

The current program is now complete with assays to be reported in the next few weeks.

Further follow up drilling will commence once assays have been received and downhole EM completed.

Environmental approvals are underway for drilling at **Mt Goma**. The program at the Mt Goma nickel in soil anomaly is now planned for later in the fourth quarter of the year.

All diamond and RC holes at **Akelikongo** and **Akelikongo West** will now be down hole EM surveyed.

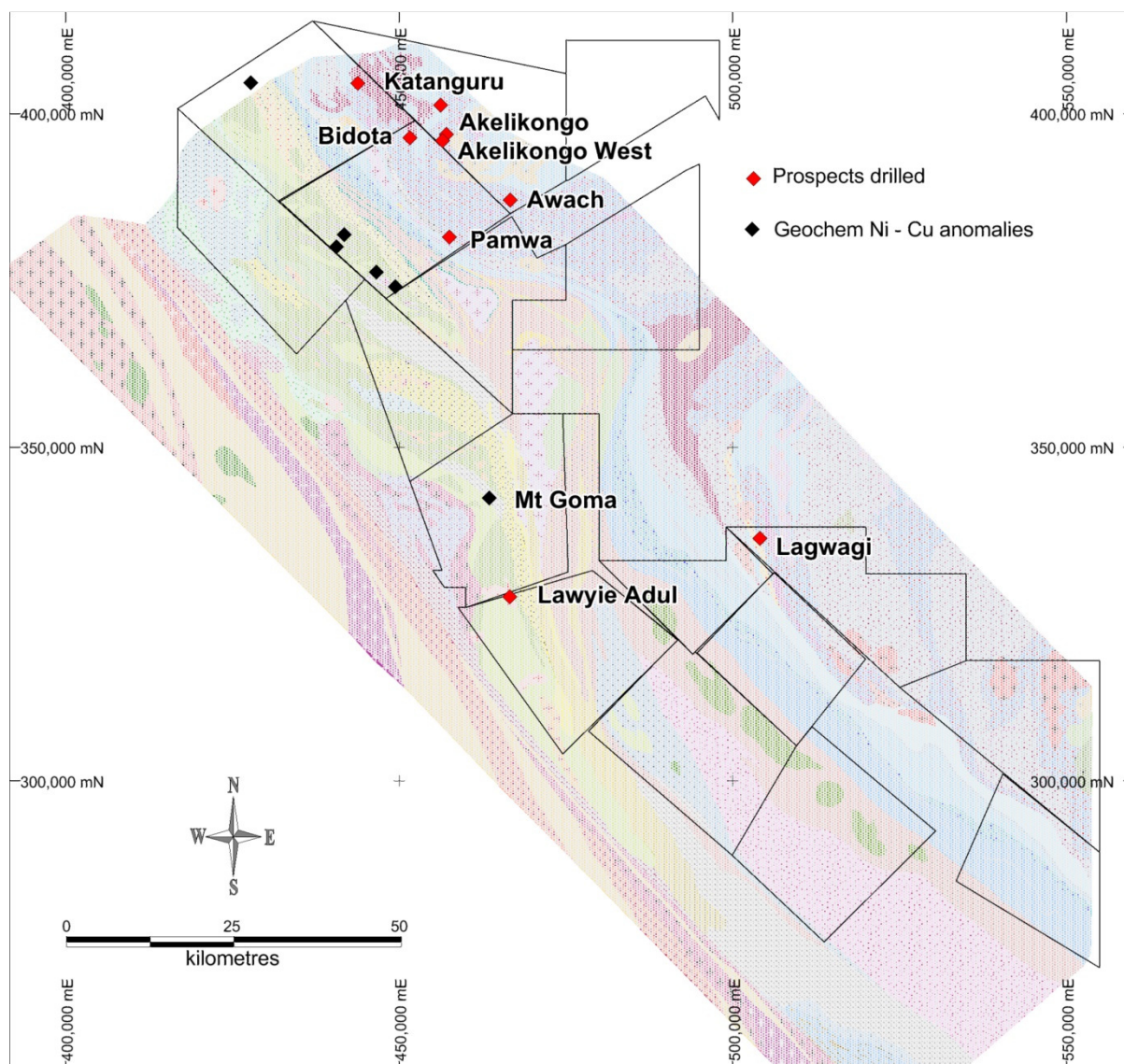


Figure 5 location of key drilling targets named in text

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Ms Lynda Daley, a who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Daley is a full-time employee of Sipa Resources Limited. Ms Daley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Daley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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Background

The Kitgum-Pader Base and Precious Metals Project covers 7,296 square kilometres in central northern Uganda, East Africa. The Project was generated following the acquisition in 2011 of relatively new airborne magnetic/radiometric data sets over East Africa, and the subsequent geological/metallogenic interpretation of the data sets.

During field reconnaissance in December 2011, rocks were recognised as being strikingly similar to the host 'Mine Series' sequence at the giant Broken Hill Lead-Zinc-Silver Deposit in NSW, Australia, to the northwest of Kitgum, Uganda. Since that time, the company has collected over 50,000 soil samples, along with geological mapping by the late Nick Archibald, Brett Davies and Russell Mason. The results of the field work and subsequent drilling of soil targets has led to the discovery of 2 potentially economic mineral systems.

- the Intrusive hosted Nickel-Copper sulphide mineralisation at **Akelikongo**; and
- The Broken Hill-style Lead-Zinc-Silver, at **Pamwa**.

Akelikongo is one of the standout Ni-Cu-PGE soil anomalies identified to date. The element association and shape of the anomaly led Dr Jon Hronsky to interpret this as a possible "chonolith" being a fertile host for nickel sulphides within a mafic-ultramafic intrusive complex.

At **Akelikongo** a high MgO intrusion hosts a zone of disseminated nickel and copper sulphide mineralisation above a zone of brecciated more massive nickel and copper sulphides. The mineralisation extends into the country rock felsic gneiss indicating further remobilisation.

At **Mt Goma** in the western Archean greenstone belt a linear zone of strongly oxidised ultramafic has returned nickel in soil XRF values ranging from 0.5% to 1.9% Nickel. A strong copper in soil anomaly is located adjacent to the nickel anomaly.

The **Pamwa** Zn, Pb, Ag and Cd soil anomaly was first pass drilled using RAB during July and resulted in the discovery of a Broken Hill Type Zn Pb, Cd, Ag mineralised system. Diamond drilling confirmed thin zones of base metal sulphides (sphalerite and galena) in all three holes.

These intercepts are located within a wider Zn, Pb, Ag, Cd anomalous zone defined by a 1000ppm Zn contour and an even larger 1000ppm Manganese (Mn) anomalous zone defined as the "geological host sequence".

Diamond drilling indicates mineralisation is broadly foliation parallel and can be correlated to the detailed soil data.

The geochemistry shows a strong association between Zn-Pb-Cd-Mn a characteristic element suite of Broken Hill style of mineralisation.

Major mining houses have scoured the world for decades in an attempt to discover the next Broken Hill Type Deposit. Sipa has demonstrated that such world class deposits could be discovered at **Pamwa** and within the extensive Zn rich **Ayuu Alali** soil horizons defined by soil sampling during 2013. These horizons contain many of the characteristics described as being typically associated with Broken Hill type SEDEX deposits, via local geochemical associations, geological observations, and the broader interpreted tectonostratigraphic setting of a rifted reactivated mobile belt of probable lower to mid Proterozoic age.

At **Lagwagi** 70km to the south east in a similar stratigraphic position to **Pamwa** a zinc and lead in soil anomaly has been identified which requires follow up drilling.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> See Drill sampling techniques (for drilling) Soil samples are taken initially at 1km line and 100m sample spacing. Infill soil sampling to 200m line and 50m sample spacing and where appropriate down to 25m by 25m.. The samples are taken from about 30cm depth and sieved with a 250# sieve. Soil Sample size is around 150g. If samples are wet or unsieved, the samples are brought back to camp, dried, then crushed and sieved to -250um. The sample is then placed in a small cup with a mylar film on the bottom and analysed by XRF One in eight soils were sent for laboratory analysis as a check.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> If Drill type is diamond then HQ coring from surface then reduced to NQ2 from fresh rock. Reverse Circulation drilling was trialled with face sampling hammer bit. Core was oriented using Reflex ActII RD Rapid Descent Orientation Rotary Airblast Drilling (RAB) was conducted using 114mm down hole hammer to fresh rock or refusal

Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Sample recoveries measured using tape measure Occasional core loss. mostly 100% recovery. Core loss marked on Core blocks RC sample recovery was not deemed to be of sufficient quality for JORC reporting and results are qualitative only. RAB sample recovery is good but has potential contamination issues due to the open hole nature of the technique.
<i>Logging</i>	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Logging was conducted on all holes using a digital quantitative and qualitative logging system to a level of detail which would support a mineral resource estimation. Diamond holes Holes have been geotechnically logged.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Core has been sawn in half and geological intervals generally at one metre, but appropriate to specific visual mineralisation have been taken. RC and RAB sampling undertaken by grab sampling with a trowel through the spoil pile. Sample preparation is using commercial Laboratory Method which includes drying, sieving and pulverizing. Core samples are crushed to 70% -2mm prior to pulverizing. Pulverise then split to 85% <75um The soil samples were taken from a residual soil profile and are considered representative of the substrate rock. No field duplicates were taken. Infill samples confirmed and substantiated



16 July 2015

Criteria	JORC Code explanation	Commentary
		<p>the initial anomaly.</p> <ul style="list-style-type: none">• Soil samples are the homogenized product of weathered rock.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Multielement assaying was done via a commercial laboratory using a four Acid digest as a total technique with and ICP-AES finish and 30g Fire Assay for Au Pt Pd with ICP finish • Lab Standards were analysed every 30 samples • For soils An Olympus Innov-X Delta Premium portable XRF analyzer was used with a Rhenium anode in soil and mines mode at a tube voltage of 40kV and a tube power of 200μA. The resolution is around 156eV @ 40000cps. The detector area is 30mm² SDD2. A power source of Lithium ion batteries is used. The element range is from P (Z15 to U (Z92). A cycle time of 180 seconds Soil Mode was used and beam times were 60 seconds. • Selected high samples were analysed in Mineplus Mode. A propylene3 window was used. Standards are used regularly to calibrate the instrument. • Rock chips were spot analysed by XRF with some selected samples sent with drill samples for Laboratory analysis • Preliminary 1m samples are taken from RAB and RC programs and assayed using XRF by sieving a grab sample through the pile and assaying the fines • Duplicate samples are taken from RAB and RC drillholes and sent to a commercial laboratory for check assaying

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> This is an early drill test into a newly identified prospect. No verification has been completed yet. Twinned holes are not undertaken Data entry is checked by Perth Based Data Management Geologist Assays have not been adjusted The soil data is reviewed by the independent consultant Nigel Brand, Geochemical Services, West Perth The data is audited and verified and then stored in a SQL relational data base.
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Drill holes and soil and rock points have been located via hand held GPS.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> No Mineral Resource or Ore Reserve Estimation has been calculated
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> To early to comment on. This is an initial drilling program
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Drill samples are accompanied to Entebbe by a Sipa employee. Until they are

Criteria	JORC Code explanation	Commentary
		consigned by air to Johannesburg.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> no reviews have been undertaken as yet.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> The results reported in this Announcement are on granted Exploration Licences held by Sipa Exploration Uganda Limited, a 100% beneficially owned subsidiary of Sipa Resources Limited. .At this time the tenements are believed to be in good standing. There are no known impediments to obtain a license to operate, other than those set out by statutory requirements which have not yet been applied for.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> No previous mineral exploration activity has been conducted.

Criteria	JORC Code explanation	Commentary
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Kitgum-Pader Project covers reworked, high grade metamorphic, Archaean and Proterozoic supracrustal rocks heavily overprinted by the Panafrican Neoproterozoic event of between 600 and 700Ma. The tectonostratigraphy includes felsic ortho- and para-gneisses and mafic and ultramafic amphibolites and granulites and is situated on the northeastern margin of the Congo Craton. The geology and tectonic setting is prospective for magmatic Ni, Broken Hill type base metal and orogenic Au deposits
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Reported in Text
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> All assay results have been reported. Where data has been aggregated a weighted average technique has been used.

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> It is interpreted that these widths approximate true width.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Reported in Text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> All drill assay results are reported. Soil data that a statistically important are shown (the database comprises more than 50000 samples with up to 600 samples collected every week.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> As reported in the text